

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Lower Energy Costs and Increase Renewable Energy in Maine

Be it enacted by the People of the State of Maine as follows:

PART A

Sec. A-1. 35-A MRSA §3210-E is enacted to read:

§ 3210-E. Net energy

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Net energy" means the difference between the kilowatt-hours consumed by a customer and the kilowatt-hours generated by the customer's renewable generation facility over any time period determined as if measured by a single meter capable of registering the flow of electricity in 2 directions.

B. "Net energy billing" means the billing and metering practice under which a customer is billed on the basis of net energy over the billing period, taking into account accumulated unused kilowatt-hour credits from the previous billing period.

C. "Standard-offer provider" means a provider of standard-offer service chosen pursuant to rules adopted by the commission.

D. "Transmission and distribution utility" means a person, and its lessees, trustees or receivers or trustees appointed by a court, owning, controlling, operating or managing a transmission and distribution plant for compensation within the State.

2. Annualized customer net energy billing. A customer of a transmission and distribution utility that uses energy generated using a renewable fuel or technology as specified in section 3210, subsection 2, paragraph C, subparagraph (2), divisions (a) to (h) from a renewable generation facility with an installed capacity of 2 megawatts or less to serve its own electricity requirements may elect net energy billing. For purposes of this section, the renewable generation facility must be located on or in the vicinity of the customer's premises and used primarily to offset part or all of the customer's own electricity requirement.

A. At the option of a customer, a transmission and distribution utility must bill on an annualized net energy basis according to this paragraph.

(1) If the electricity generated during the billing period by the customer's renewable generation facility plus any kilowatt-hour credits from prior billing periods exceed the customer's kilowatt-hour usage during the billing period, the excess must be applied to the customer's bill for the following billing period as a reduction in the customer's kilowatt-hour usage.

(2) If the customer's kilowatt-hour usage exceeds the electricity generated by its renewable generation facility during the billing period plus any kilowatt-hour credits pursuant to subparagraph (1), the customer must be billed for the excess kilowatt-hour usage at the applicable retail rate for electricity service.

(3) A customer may accumulate unused kilowatt-hour credits and apply them against kilowatt-hour usage over a 12-month period. At the end of each 12-month period, the customer must be compensated for any remaining unused kilowatt-hour credits at the electric power supplier's or the basic generation service provider's avoided cost of wholesale power.

(4) Net energy billing applies only to kilowatt-hour usage charges. A net energy billing customer is responsible for all other charges applicable to the customer's rate class and recovered either through fixed amounts or over units other than kilowatt-hours.

B. A customer that has elected net energy billing may obtain generation service from any competitive electricity provider that agrees to provide service on a net energy basis. If the customer obtains service from the standard-offer provider, the standard-offer provider must provide service on a net energy basis.

3. Separate meters. Nothing in this section prohibits a transmission and distribution utility from installing additional meters to record purchases and sales separately; however, a customer that elects to be billed on a net energy basis may not be charged for the cost of the additional meters or other necessary equipment.

4. Development of standard contract. Each transmission and distribution utility shall develop a standard contract for annualized customer net energy billing consistent with the provisions of this section.

5. Notification required. A transmission and distribution utility shall notify the commission if the cumulative capacity of renewable generation facilities subject to the provisions of this section reaches 0.5% of its peak demand. Upon notification, the commission shall determine whether net energy billing should continue or be modified.

6. Waiver. Upon the request of a person subject to this section or upon its own motion, the commission may, for good cause, waive certain requirements of this section as long as the waiver is not inconsistent with the purposes of this section.

Sec. A-2. Development of statewide standards for interconnection. The Public Utilities Commission shall develop statewide standards for the interconnection of new homes' and businesses' renewable generation facilities with the energy grid. In developing standards under this section, the commission shall take into consideration those standards developed by other states and by professional associations for the advancement of technology. The standards developed pursuant to this section must allow customers to use a single, nondemand, nontime-differentiated meter. By January 15, 2009, the commission shall submit the standards, together with any necessary implementing legislation, to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters. After receipt and review of the standards, the joint standing committee may submit legislation to the First Regular Session of the 124th Legislature.

Sec. A-3. Cooperative ownership of small community renewable energy projects. The Public Utilities Commission shall adopt rules to allow communities to develop shared renewable energy facilities and to permit net energy billing to users connected to those facilities, regardless of the physical distance of the communities from the facilities. Rules adopted pursuant to this section are routine technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

PART B

Sec. B-1. 10 MRSA §1415-J is enacted to read:

§ 1415-J. Time-of-use meters; installation required

Effective January 1, 2009, any new construction of a commercial or residential building must include the installation of a time-of-use meter designed to monitor and record the amount of electricity used and the time of such use.

Sec. B-2. Time-of-use meters; statewide distribution. The Public Utilities Commission shall develop a proposal to implement the statewide distribution of time-of-use meters to all consumers of electric energy in the State by October 1, 2010. By January 15, 2009, the commission shall submit its proposal, together with any necessary implementing legislation, to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters. After receipt and review of the proposal under this section, the joint standing committee may submit legislation to the First Regular Session of the 124th Legislature.

Sec. B-3. Time-of-use rates. The Public Utilities Commission shall develop a proposal to authorize transmission and distribution utilities to charge time-of-use rates that vary depending on whether the energy consumption occurs during peak load times or off-peak load times. The proposal must include a provision that would allow the commission to grant a waiver from the variable rate structure for certain households and businesses that cannot adjust energy consumption around peak load times of day, including, but not limited to, retirees, home businesses, restaurants and any other entity that can show an inability to adjust energy consumption. By January 15, 2009, the commission shall submit its proposal, together with any necessary implementing legislation, to the joint standing committee of the

Legislature having jurisdiction over utilities and energy matters. After receipt and review of the proposal under this section, the joint standing committee may submit legislation to the First Regular Session of the 124th Legislature.

PART C

Sec. C-1. 30-A MRSA §4722, sub-§1, ¶AA, as amended by PL 2007, c. 466, Pt. A, §50, is further amended to read:

AA. Certify transfers of multifamily affordable housing property that qualify for the deduction under Title 36, section 5122, subsection 2, paragraph Z or Title 36, section 5200-A, subsection 2, paragraph Q. The affordability restrictions that apply under this paragraph must be contained in a declaration signed by the transferee and recorded in the appropriate registry of deeds at the time of the sale or transfer.

(1) For the purposes of this paragraph, "multifamily affordable housing property" means a decent, safe and sanitary dwelling, apartment building or other living accommodation that includes at least 6 units, that meets at least one of the following affordability restrictions and for which those affordability restrictions, as applicable, expire in 10 years or less from the date of the sale or transfer of the property:

(a) At least 20% of the units have restricted rents affordable to households earning no more than 80% of the area median income as determined by the United States Department of Housing and Urban Development;

(b) The property is assisted by the United States Department of Housing and Urban Development, the United States Department of Agriculture or the Maine State Housing Authority; or

(c) The property qualifies for low-income housing credits under the United States Internal Revenue Code of 1986, Section 42.

(2) For the purposes of this paragraph, property does not qualify as multifamily affordable housing property unless:

(a) The transferee agrees to maintain the property as multifamily affordable housing property for an additional 30 years from the scheduled expiration;

(b) If the existing federal, state or other assistance is not available to maintain the property as multifamily affordable housing property, the transferee agrees to ensure that 1/2 of the units are affordable to persons at 60% of the area median income as determined by the United States Department of Housing and Urban Development for 30 years from the expiration of the then-existing affordability restrictions; or

(c) The transferee agrees to an alternative affordability agreement approved by the Maine State Housing Authority; and

Sec. C-2. 30-A MRSA §4722, sub-§1, ¶BB, as enacted by PL 2007, c. 326, §3, is amended to read:

BB. Make a loan, or contract with a financial institution to make a loan on behalf of the Maine State Housing Authority, to pay off an existing loan or to pay amounts past due on an existing loan on an owner-occupied single-family residence to assist a homeowner who is in default of the existing loan or in danger of losing the residence through foreclosure. Prior to receiving a loan under this paragraph, a homeowner must receive counseling with a 3rd-party, nonprofit organization approved by the United States Department of Housing and Urban Development, a housing financing agency of this State or the regulatory agency that has jurisdiction over the creditor; and

Sec. C-3. 30-A MRSA §4722, sub-§1, ¶CC is enacted to read:

CC. Administer a home energy audit program that provides low-interest loans to homeowners to make home heating and energy efficiency upgrades.

Sec. C-4. Issuance of bonds. Pursuant to the Maine Revised Statutes, Title 30-A, chapter 201, the Maine State Housing Authority shall issue bonds in an amount not to exceed \$5,000,000 to establish a home energy audit program and provide low-interest loans to homeowners in accordance with Title 30-A, section 4722, subsection 1, paragraph CC.

SUMMARY

Part A of this bill accomplishes the following.

1. It incorporates into the Maine Revised Statutes rules adopted by the Public Utilities Commission regarding standards for net energy billing, except that it credits the customer for the excess kilowatt-hours and increases the maximum allowed energy to be produced by private renewable energy facilities from 100 kilowatts to 2 megawatts.

2. It requires the Public Utilities Commission to develop statewide standards for the interconnection of new homes' and businesses' renewable energy facilities with the energy grid.

3. It requires the Public Utilities Commission to adopt rules to allow communities to develop shared renewable energy facilities and to permit net energy billing to users connected to the facility, regardless of the physical distance of the communities from the facility.

Part B of this bill accomplishes the following.

1. It requires that, beginning January 1, 2009, any new construction of a commercial or residential building must include the installation of a time-of-use meter designed to monitor and record the amount of electricity used and the time of such use.

2. It requires the Public Utilities Commission to develop a proposal to implement the statewide distribution of time-of-use meters to all consumers of electric energy in the State by October 1, 2010.

3. It requires the Public Utilities Commission to develop a proposal to authorize transmission and distribution utilities to charge time-of-use rates that vary depending on whether the energy consumption occurs during peak load times or off-peak load times. The proposal must include a provision that would allow the commission to grant a waiver from the variable rate structure for certain households and businesses that cannot adjust energy consumption around peak load times of day.

Part C of this bill accomplishes the following.

1. It authorizes the Maine State Housing Authority to issue bonds in an amount not to exceed \$5,000,000 to establish a home energy audit program and to provide low-interest loans to homeowners to make home heating and energy efficiency upgrades.